

MEMO to MAILERS



nutritional supplements marketer **grows** with **PRIORITY MAIL**

Eric Beaver (r), vice president of operations for Nutrition For Life International, and Miguel Zapata, director of operations, depend on Priority Mail to get their products to their distributors.

Nutrition For Life International of Houston is praising the Postal Service for helping the company improve delivery service to its distributors. Nutrition For Life recently converted from United Parcel Service (UPS) Ground service to Priority Mail.

Nutrition For Life International is a multi-level marketing company that specializes in nu-

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Report on **Welcome Kit program** addresses industry concerns

An independent audit by Grant Thornton LLP of the Welcome Kit program found that the program adheres to good business objectives. The report also addressed the bulk mail industry's concerns over the use of change-of-address information.

The performance review was made by Grant Thornton LLP and assessed the implementation and operation of the Welcome Kit program.

The kits are produced through an alliance between the Postal Service and direct marketer Imagitas. Advertising is used to cover the costs of producing the kits, and any profits are split between the parties.

The audit found the method of selecting advertising used in the Welcome Kits to be sound, fair and reasonable. The report also stated that the use of advertising in the kits produced significant savings for the Postal Service.

The use of the change-of-address listings is adequately protected against unauthorized use, the report said, through random testing and reviews. In addition, an audit is made annually by an independent accounting firm.

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WELCOME KIT PROGRAM

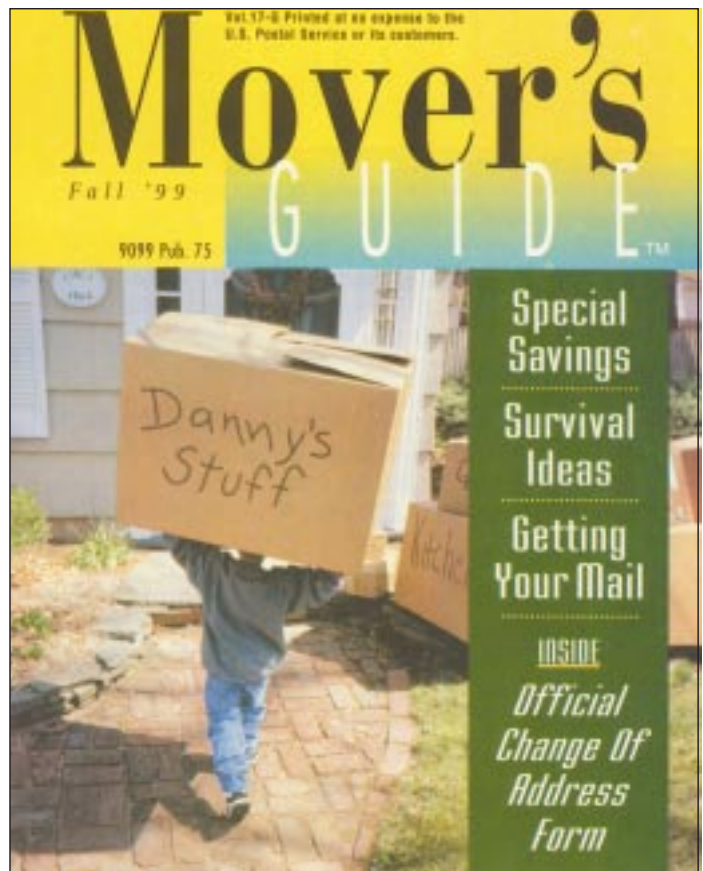
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In addressing the concerns of the bulk mail industry on Imagitas' use of change-of-address information, the report noted that the Welcome Kit is limited to only one mailing and that no further use of the changed address list is authorized. Strict controls are in place to prevent more than one mailing. Imagitas does not directly receive or maintain the change-of-address list, which precludes them from using it for any other market advantage.

As noted in the report, National Change of Address (NCOA) licensee programs provide bulk mailers with a means for updating their mailing lists with the same address change information, and they are not limited to one mailing, as is the case with the Welcome Kits.

Since the Postal Service previously had to bear the entire cost of sending customer notification letters, the inclusion of advertising to reduce costs and potentially create revenue is just good business, the report concludes. The audit also states that there is no cross-subsidization from any noncompetitive mail revenue since the program is operating at a profit. ■

The use of advertising in the Welcome Kits has produced significant savings for the Postal Service.



MARKETER GROWS

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"We're really excited about the Postal Service's commitment to two-day or three-day delivery."

Eric Beaver
Vice President of Operations
Nutrition for Life

tritional supplements, natural foods, water and purification systems, skin care products, and motivational tapes. The company ships these products five days a week to distributors in various locations across the United States, Canada, the United Kingdom, Ireland, Germany, the Netherlands, the Philippines and Japan.

Eric Beaver, vice president of Operations for Nutrition For Life, commended the Postal Service Tactical Marketing and Sales Development (TMSD) office and Houston District employees for providing quality customer service which has resulted in an increase in sales and growth for the company.

"Quality customer service is vital to Nutrition For Life," said Barbara Warren, TMSD national account executive. "It depends

on getting the products to the distributors within two or three days."

Trish Johnson, acting account manager, Houston District, learned the company was using UPS Ground service, but was disappointed that delivery was taking seven to eight days, especially in rural areas.

TMSD's Warren convinced Beaver to compare the Postal Service with UPS. "We tested the Priority Mail service for 30 days and were very impressed that 95 to 97 percent of the mail was delivered within three days," Beaver said. "We're really excited about the Postal Service's commitment to two-day or three-day delivery."

Beaver decided that using Priority Mail would provide his company with more reliable and timely service. He also favored

the free packaging the Postal Service provided.

Beaver said that the rapidly expanding company ships nearly 2,500 packages daily. Although the majority of the distributors are residentially based, many are located in rural areas. He noted that the advantage in using the Postal Service is that it delivers to all rural areas. Beaver also cited the assistance provided by Warren and Houston District Business Customer Relations Account Manager Jan Rigney in making the conversion to Priority Mail a simple process.

"It's a win-win situation," Beaver said. "We're also excited about Delivery Confirmation, which allows us to keep track of our shipments. It's important to have that assurance." ■

“Mailers have had a hard time providing information on what shipping and customs charges will be for their customers in European countries, given the different rates in different countries.”

Bob Michelson
Manager
International Marketing
and Sales
International Business.

**Austria
Belgium
Denmark
Finland
France
Germany
Greece**

THE EU COUNTRIES

**Ireland
Italy
Luxembourg
the Netherlands
Portugal
Spain
Sweden
United Kingdom**

International mail marketers who want an easier way to send their shipments into the 15-country European Union can look to a new Global Package Link (GPL) service called GPL-EU in February.

Getting clearances and paying duties and taxes for the many different European Union (EU) countries has been a stumbling block for many marketers. “GPL-EU takes the mystery and the paperwork out of duties and taxes to EU countries,” says Bob Michelson, manager, International Marketing and Sales, International Business.

Using GPL-EU, mailers have to prepare paperwork and pay duties at only one point of entry, the United Kingdom. Once the shipments clear the UK, they will sent from there to any EU member country for delivery without additional customs duties or taxes. Delivery from the United States to the EU takes from four to six days.

“Mailers have had a hard time providing information on what shipping and customs charges will be for their customers in European countries, given the different rates in different countries,” Michelson says. “And they couldn’t tell customers how long the order would take to arrive.

“With GPL-EU, they can now give their customers one shipping rate and an arrival time frame. GPL-EU also reduces administrative costs for mailers since they don’t have to prepare paperwork for each country.”

Using the Postal Service’s customs pre-advisory system (CPAS), customs duties and taxes are calculated so the total cost of merchandise can be known and paid in advance. It also provides foreign posts and customs with the contents of the shipment, so the items can clear customs quickly and eas-

NEW GPL SERVICE EASES **ENTRY** into **EUROPE**

ily. Tracking will be available, with rates starting at \$13.50 for a one-pound package.

The Postal Service is also launching a new International Surface Airlift (ISAL) Economy service to Japan this spring. Pallets of printed matter will be sent by ship rather than by air

at an approximately 10 percent reduced rate.

“Japan Post has built a new plant that is capable of handling 30-40,000 pounds of mail in ocean containers,” Michelson says. “Deliveries will made in about three days after arrival in Japan.” ■

Seattle merchandiser 1st to use RETURNS@EASE

A Seattle-based online retailer has helped the United States Postal Service launch its Electronic Merchandise Return Service, which enables customers to return Internet-purchased merchandise quickly and conveniently.

Altrec, an online outdoor-lifestyle retailer, became the first to implement the new service, Returns@ease, a program designed to make returning items bought online, through catalogs and by phone easier for both buyers and sellers.

“Returns are a reality of e-shopping, and this ease-of-use solution breaks down the final barrier to eCommerce,” notes Kim Parks, manager, Marketing and Strategy for Expedited/Package Services. “The Postal Service now offers the perfect solution for making returns easy and convenient for the customer.”

The way it works is simple. A customer alerts an online retailer of the need to return an item. The retailer then provides the customer, via the Web, a merchandise return label that the customer prints and applies to the package being returned. The package can be given to a letter carrier, dropped in a collection box or taken to the nearest post office.

To take advantage of this electronic service, online retailers simply obtain a Merchandise Return permit and set up an account at their local post office. The registration application, programming codes and guidelines for the service can be obtained online at USPSPriorityMail.com. Implementing the service for the consumer is easy, without cost and does not require additional hardware or software. ■

LEGISLATIVE UPDATE

LEGISLATION WOULD HINDER FACILITIES MODERNIZATION

They're familiar. They're nostalgic. They're icons of Americana. Many have also outlived their original utility and are in need of renovation, expansion or outright replacement. Such is the condition of a small but significant number of the nation's 38,000 post offices and facilities. But pending congressional legislation would create serious delays and additional expenses in the Postal Service's facilities program by instituting a cumbersome and lengthy community review and appeals process.

The Post Office Community Partnership Act (H.R.670 and S.556) would substitute the decision making of postal and local officials with deliberations by the Postal Rate Commission in Washington. The delays caused by the act could add at least \$50 million a year in new costs that would have to be passed on to mailers in the form of higher rates.

Proponents of the legislation hope to curtail the closing of smaller post offices, retain the charm of older post offices and prevent the relocation of some existing facilities from economically distressed areas. These are altogether worthy considerations. Yet they are issues which are adequately addressed through current postal procedures and legislative provisions.

Of immediate importance is the introduction of automated technologies, additional post office boxes and design features to improve mail entry, customer service and processing operations. More retail windows and parking spaces are needed, and mailers need

more maneuverable dock space. Changing demographics, cost and business efficiency must be considered in all location and renovation decisions.

The cumbersome administrative procedures of the proposed legislation would cause dramatic delays in upgrading the Postal Service's infrastructure. This would result in mailers unnecessarily having to use cramped dock facilities, and customers continuing to endure overcrowding and inadequate parking. All of these deficiencies would lead to slower mail service.

The Post Office Community Partnership Act would extend the slow, methodical appeals process to virtually every postal facility action. This could cause up to a 14-month waiting period before the Postal Service could even begin to expand, relocate, construct or renovate any facility.

At the same time, it is highly unlikely that the legislation would result in the closing of fewer small post offices. The already rigorous process for closings would change only marginally, and the existing Postal Service moratorium on closings would make the impact of this legislation negligible. Of the more than 25,000 facility actions taken by the Postal Service each year, almost all are negotiated amicably with local communities.

Postal Service regulations already provide for full public participation in local facility decisions and are working well, making this highly regulated approach unnecessary. And, ultimately, mailers will bear the financial costs of this proposal. ■

ideaforum



THE CHALLENGE

As with many companies, America OnLine wanted to increase brand awareness and acquire new members within the highly competitive arena of new and rapidly emerging media and technology.

THE SOLUTION

America OnLine's remedy was to continue to use the mail as a core strategy. The company developed several different types of innovative mailpiece designs and in 1993 began using CD-ROM mailings to promote brand awareness and attract new customers.

THE RESULT

Mail has a role in the mix of media, even for Internet companies. The contribution that mail has made to increased brand awareness speaks for itself. America OnLine membership grew from 300,000 subscribers to its current base of some 17 million members. America OnLine realized the power of the mail and the impact it can have on a company's bottom line. ■



"The new labels tie in with the Delivery Confirmation program's electronic signature capture process to manage accountable mail."

John Dorsey
Manager
Special Services

SPECIAL SERVICES LABELS GET BARCODES

Labels for Certified Mail, Insured Mail, Recorded Delivery Mail, Registered Mail, and Return Receipt for Merchandise have been redesigned to include barcodes in order to electronically capture the delivery information for future product enhancements.

"The new labels tie in with Delivery Confirmation program's electronic signature capture process to manage accountable mail," says John Dorsey, manager, Special Services. "We need barcodes on all accountable mail labels for Signature Confirmation service due in the summer of 2000.

"The barcodes will be scanned by the same Mobile Data Collection Devices (MDCD) used by carriers and clerks for Delivery Confirmation and the data will go into our product tracking system," Dorsey says. "This system will soon be used for the scanning, storage and retrieval of all mail recipients' signatures."

Shipping of the new barcoded Special Services labels to post offices has already begun for replacement of the old labels.

The same process currently required to certify printers of Delivery Confirmation labels will be used for the new barcoded labels. Vendors or mailers preparing customer-generated labels must comply with the new requirements within six months after the *Federal Register* publication of final label requirements due out by the first week of January. For more information, contact Mary Shriver at (202) 268-6554. ■

PostageNow provides electronic payment options



PostageNow is a suite of services that allows customers to make real-time electronic payments for postage. It is available for meter resetting, PC Postage customers, and CAPS (Centralized Automated Processing System) permit holders.

"We developed PostageNow to give one identity to an existing suite of payment options," says Stephen M. Kearney, vice president, Treasurer, and ePayments. PostageNow allows customers to initiate and authorize secure fund transfers from their personal or corporate bank accounts directly to Postal Service bank accounts for postal products and services.

"These payment options allow customers to keep control of their funds until the day they need postage," Kearney says. "You can earn interest until the day you need postage, and the Postal Service charges no processing fees for PostageNow services. It's an easy way to ensure you have the postage for mailings when you need it."

PostageNow provides three ways to buy postage electronically: Automated Clearing House (ACH) Debit, ACH Credit and Federal Wire payments.

ACH Debit allows the Postal Service to debit your bank account and makes your postage available immediately. With both ACH Credit and Federal Wire payments, your bank sends funds directly from your bank account to your postage account.

For more information on electronic payments, visit the PostageNow Web site at www.usps.com. Click on Business Center, then select PostageNow. ■

ALLOWABLE TRAVEL ADS FOR NONPROFITS

A new Customer Support Ruling (CSR) has clarified the restrictions on announcements of travel arrangements in Non-profit Standard (A) Mail.

"Congress placed restrictions on certain advertising for travel arrangements, insurance policies and financial instruments such as credit cards in mailings that qualify for nonprofit rates," says Jerry Lease, customer service support analyst.

"Generally, advertisements for travel in nonprofit mailings must contribute importantly to the qualifying purposes of the organization," Lease says. "Recreational travel would normally be considered unrelated and ruled ineligible."

Meetings over time with members of nonprofit mailers organizations and Rates and Classifications Service Centers (RCSC) raised questions as to the definition of a travel arrangement. "A rule of thumb was developed and it was requested that the policy be officially communicated in a CSR," Lease says.

Under the ruling, advertisements are not considered to promote a travel arrangement unless, whether stated or implied, accommodations, transportation and a destination are included.

"For example," Lease says, "the policy would allow an advertisement for a day trip since it does not include accommodations. However, other content restrictions may apply."

The ruling, CSR 298, can be viewed on both the Rapid Information Bulletin Board System (RIBBS) and the Postal Explorer Web sites.

AMMA BECOMES POSTCOM

The Advertising Mail Marketing Association has changed its

name to the Association for Postal Commerce. According to association president Gene Del Polito, the name change better reflects the broader makeup and mission of the organization. "Our companies have come to realize the focus they need to give to the mail is beyond advertising and marketing", Del Polito says. "It's an effort to take a holistic view of the postal system and work together to advance it. Our constituents have concerns on issues that reflect how they use the mail for the transaction of commerce. A universal postal system is vital to them and their customers. We have problems and challenges and have to figure out solutions that work for everyone."

FINAL PHASE OF ABE PROGRAM

The final phase of the Automated Barcode Evaluator (ABE) program has been implemented. ABE is designed to verify the quality of customer-applied barcodes to ensure mailing standards are being met. Processing the customer's mail as efficiently as possible can be accomplished only with readable barcodes. The results are better service performance which leads to increased efficiency and greater customer satisfaction.

The implementation brings the following changes:

- The acceptance threshold will increase to 90 percent.
- Mailings falling between 89 percent and 80 percent will be subject to a postage adjustment factor.
- Mailings that fall to 79 percent and below will be entered at non-automation rates.

"The 90 percent threshold is well within the statistical range necessary to fairly evaluate barcode readability of customer mailings," said William

Dowling, vice president, Engineering.

Mailers continue to have the option of an alternative method of ABE testing through the Reader/Verifier Certification Program. This program allows the mailer to bypass ABE testing, provided the barcoded mail is produced using reader/verifier equipment that has been certified by the Postal Service's Engineering group. The program is designed to ensure the highest possible barcode quality while still offering customers substantial flexibility.

GLOBAL PRIORITY MAIL GROWS

The U.S. Postal Service has expanded its Global Priority Mail service to include the Czech Republic, Hungary, Poland, Malaysia, Colombia, India and South Africa. Already available in 33 countries across Europe, North and South America, the Middle East and the Far East, the three to five day service is ideal for parcels weighing up to four pounds.

Global Priority Mail is given priority handling both in the United States and in the country of destination, providing mailers with reliable delivery in a timely fashion. It offers shipment of documents, correspondence and merchandise weighing up to four pounds to international destinations.

Global Priority Mail has a number of packaging options, including two flat-rate envelopes (6 x 10 inches and 9½ x 12½ inches), with prices starting at \$4.00 for the small and \$7.00 for the large envelope. The other option called "Variable Weight," has three types of packaging, including using the mailers' own packaging. These prices are determined by the weight of the package. To ar-

range for pickup, order supplies or obtain more information regarding Global Priority Mail, call 1-800-THE-USPS, ext. 2060, or visit the Global Delivery Services Web site at www.uspsglobal.com.

The Postal Service also offers a day-certain guaranteed service called Priority Mail Global Guaranteed™ (PMGG). PMGG is different from Global Priority Mail in that it is guaranteed, day-certain, and the weight of a piece can be up to 70 pounds. PMGG is available to 65 countries and territories in Australia, New Zealand, Canada and Mexico, and select countries in Southeast and Far East Asia, and the Caribbean. Prices start at \$23.00. To obtain more information regarding Priority Mail Global Guaranteed, check the Postal Service Web site at www.pmgg.usps.com.

MAILING ONLINE TEST TO EXPAND

Pending a decision by the Postal Rate Commission (PRC) and approval by the Postal Service's Board of Governors, Mailing Online will begin an expanded three-year major market test in the spring of 2000. In October 1998, the PRC approved a market test of the service in five metropolitan areas: Boston, Hartford, Philadelphia, New York, and Tampa. The market test expired the end of October.

Providing convenient, online access to the Postal Service, Mailing Online brings the entry of hard-copy mail to the customer's desktop computer. Mailers electronically transmit their documents, correspondence, newsletters and other First-Class Mail and Standard (A) Mail, along with their mailing lists, to the Postal Service. Electronic files are then routed to

printing contractors who, in turn, print the documents, insert them into addressed envelopes, apply postage, sort the mailpieces and transport the mailing to the post office for processing and delivery. By co-mixing customer mailings and using a network of commercial printers, Mailing Online maximizes cost savings through automation compatibility, presortation and destination entry.

CANADA POST LAUNCHES ELECTRONIC POST OFFICE

Canada Post and a subsidiary of the Bank of Montreal have launched the Electronic Post Office (EPO) to deliver bills to customers on the Internet. Recipients log onto the EPO Web site to access their accounts and pay their bills electronically. Each piece of e-mail will have an electronic postmark guaranteeing authenticity and security. Subscribers will also be able to send secure e-mail to other subscribers. Canada Post plans to add online tax forms and passport forms and eventually have a mailbox online for every Canadian.

NEWSPAPERS SEE DIRECT MAIL AS OPPORTUNITY

The Newspaper Association of America (NAA) reports in its journal *Presstime* that newspapers are changing their view of direct mail marketers and are partnering with them to generate new revenue. The NAA has formed a Direct Marketing Task Force to assess the opportunities. Direct marketing is seen as a logical extension of the newspapers' business since they know their local markets better. Newspapers are joining in a blended distribution of advertising messages with a combination of the daily newspaper, solo mail and shared-mail

vehicles. Targeted customers with newspaper subscriptions are reached with the newspaper, while nonsubscribers get the message through the mail.

DIRECT MAIL HELPS NET GROW

A study by Information for Marketing commissioned by Pitney Bowes shows that half of the eCommerce firms surveyed had increased their use of the mail as a result of

eCommerce business. The most-used method for promoting their Web sites was direct mail (70 percent), well ahead of Internet advertising (48 percent) and e-mail (57 percent). Of those companies that showed mail volume growth, 59 percent saw an increase of 11 percent or more. The survey also showed that direct mail is considered the best tool for getting customers to visit a Web site and place an order.

NEW AGREEMENT WITH CHINA



Joining in the signing of the new business development agreement with the State Post Bureau of China were (l-r) Marc Solnick, manager, Asia-Pacific Business Development, Postmaster General William J. Henderson, Jim Wade, vice president, International Business, Liu Liqing, Postmaster General of the State Post Bureau of China, Wang Baochang, Deputy Director General of the Department of International Cooperation, State Post Bureau of China and Liu Xiaming, Deputy Chief of Mission, Embassy of the People's Republic of China.

Citing improving the value of mail for their mutual customers, Postmasters General William J. Henderson of the United States and Liu Liqing of the People's Republic of China signed an agreement to expand the cooperation between their two postal services. The agreement calls for continuing efforts between the posts to improve existing services and to seek out opportunities to jointly develop new international mail services.

The agreement covers a full range of subjects including business development, financial management, training and management development, and technical cooperation. Future initiatives include development of a series of management training programs, and the exchange of ideas and information on new technology and best practices in the processing, transportation and delivery of mail.

MEMO to MAILERS

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"You too can be..."

Quality ...a mailpiece **SPECIALIST**"

How would you like to be able to manage your company's mailpiece design and become the firm's expert on meeting Postal Service mail entry requirements? You can! It's easy! And it's free!

The Postal Service offers a free self-study course available online to train you to be a Mailpiece Quality Control (MQC) Specialist. The course is available at the Postal Explorer Web site (pe.usps.gov) under Mailpiece Design Analyst. Completing this course will allow you to gain enough understanding of the requirements

for presorted mailings that you will be able to analyze payment and discount options for your company or clients.

Your business doesn't want mailing delays caused by poor mailpiece design. As an MQC Specialist, you can ensure that your company's designs are acceptable for mailing and eligible for worksharing discounts.

It's important that your mailpiece designs are evaluated before they are printed, especially if they are intended for automation discount postage rates. After successful completion of this course, you will be able to recommend design changes to meet automation requirements and ensure that planned workshare savings are realized.

The self-study course contains 10 instruction modules and you can learn at your own pace. A form to receive the final exam can be downloaded from the Web site. Upon successful completion, you will receive a certificate recognizing you as the "Mailpiece Quality Control Specialist" for your company. This course will give you the confidence that your mailpieces will qualify for postal discounts and meet all relevant standards for mailing at the rate and class you desire. ■

- Increase your skills!
- Increase your value!
- Increase your profits!

